

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	0	47,520	0	47,520	47,520	0	47,520	95,040
Operating Expenses	0	5,040,085	0	5,040,085	5,116,034	0	5,116,034	10,156,119
Equipment	0	381,924	0	381,924	393,382	0	393,382	775,306
Total Costs	\$0	\$5,469,529	\$0	\$5,469,529	\$5,556,936	\$0	\$5,556,936	\$11,026,465
Federal Special	0	5,469,529	0	5,469,529	5,556,936	0	5,556,936	11,026,465
Total Funds	\$0	\$5,469,529	\$0	\$5,469,529	\$5,556,936	\$0	\$5,556,936	\$11,026,465

Page Reference

Legislative Budget Analysis, A-74

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Personal Services	0	47,520	47,520	0	47,520	47,520	0	0
Operating Expenses	0	5,040,085	5,040,085	0	5,116,034	5,116,034	0	0
Equipment	0	381,924	381,924	0	393,382	393,382	0	0
Total Costs	\$0	\$5,469,529	\$5,469,529	\$0	\$5,556,936	\$5,556,936	\$0	\$0
Federal Special	0	5,469,529	5,469,529	0	5,556,936	5,556,936	0	0
Total Funds	\$0	\$5,469,529	\$5,469,529	\$0	\$5,556,936	\$5,556,936	\$0	\$0

The legislative budget reflects no changes from the executive budget for the Office of the Secretary of State.

Agency Highlights

Department of Major Budget Highlights
<ul style="list-style-type: none"> ◆ Funding for the Help America Vote Act of 2002 adds \$11.0 million federal funds ◆ All other expenses are funded with propriety funds, which are not budgeted.

Funding

The operations of the Secretary of State are funded primarily with proprietary funds derived from fees for services, document sales, and other fees established in statute. For the 2007 biennium, the federal Help America Vote Act of 2002 provides \$11 million federal special revenue for election reform initiatives. As such, the HB 2 tables show only the funding for the Help America Vote Act of 2002. The proprietary funded portion of the program is discussed in the Proprietary Rates section.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1 - Help America Vote Act										
0.00	0	0	5,469,529	5,469,529	0.00	0	0	5,556,936	5,556,936	
Total Other Present Law Adjustments										
0.00	\$0	\$0	\$5,469,529	\$5,469,529	0.00	\$0	\$0	\$5,556,936	\$5,556,936	
Grand Total All Present Law Adjustments				\$5,469,529					\$5,556,936	

DP 1 - Help America Vote Act - The legislature approved an increase of \$11.0 million federal special revenue for the biennium to implement requirements of the Help America Vote Act of 2002 (HAVA). The funding would be used to develop a computerized statewide voter registration list that contains the name and registration information of every legally registered voter in the state and assigns a unique identifier to each. The funding would be spent on: 1) technology development costs for the system; 2) advertising costs for a public relations effort on the changes to voting of HAVA; 3) education costs for local government voting administration personnel; and 4) personal services for a 1.00 FTE modified position to coordinate delivery of the HAVA requirements.

Proprietary Rates

Proprietary Program Description

The Office of the Secretary of State conducts its daily operations through a single program, the Business and Government Services Program. The Records Management Bureau is responsible for storing, accessing, microfilming, scanning, preserving, and disposing of public documents generated by state and local governments. The office administers corporate filings, registers assumed names and trademarks, processes notary public registrations, and administers the Administrative Rules of Montana (ARM) and the Montana Administrative Register (MAR). The office reviews, approves, maintains, and distributes records of business and nonprofit organizations, and registers and maintains records of secured financial transactions under the Uniform Commercial Codes, including agricultural products, in accordance with the Federal Food Security Act of 1985. The Secretary of State serves as Montana's chief election official and is responsible for the interpretation of application of election laws, except those pertaining to campaign finance. The office also qualifies candidates for the ballot, qualifies initiatives and referendums for the ballot, certifies the language and form of the ballot, publishes the official state voter-information pamphlet, conducts the official canvass of election results, and trains local election officials.

Proprietary Revenues and Expenses

The Office of the Secretary of State administers one proprietary fund. Revenue is received from fees charged to: 1) state agencies for managing agency records; 2) businesses and corporations for corporate filings, and registration of assumed business names and trademarks; 3) state agencies and users of the Administrative Rules of Montana (ARM) for publishing and distributing the ARM and the Montana Administrative Register (MAR); 4) candidates who file for elections; and 5) Montana citizens who apply to be notaries.

The office has attempted to balance revenues and expenditures by streamlining operations and reducing fees. Revenue fluctuations are due to a combination of internal fee adjustments, which the office can control, and business registrations or candidate filings, which the office cannot control. The annual reports workload increased by 32 percent from 2001 and 2003. During this same period there were 40,000 new business registrations. Consequently, there is some fluctuation in the revenue collected from business registration fees. The same is true for candidate filings, which change from election to election depending on the number of candidates filing for office.

Proprietary Rate Explanation

Rates are based upon an estimate of the cost to provide each individual service and a comparison of fees charged for similar services in other states. Fees are set in state statute or established through the Montana Administrative Procedure Act. Because the proprietary funded portion of the program is funded with an enterprise type proprietary fund, the legislature does not approve fees in HB 2.

The various fees and charges of the office are contained in Montana law or administrative rule.